

## SUPPLEMENTAL LICENSING INVESTIGATIVE REPORT

DATE: December 7, 2021

SUBJECT: Transfer Application #21-22976, 2375 Ala Wai Property LLC, dba Waikiki Sand Villa Hotel, Hotel General license, for the transfer of business and license from Sakuradai Hotel Corporation, dba Waikiki Sand Villa Hotel, located at 2375 Ala Wai Boulevard, Honolulu, (L0035)

### BACKGROUND INFORMATION:

On November 16, 2021, applicant's attorney Christina Ohira, submitted to the Commission a memorandum dated November 15, 2021, raising concerns about the statements that were contained in November 12, 2021, Licensing Investigative Report.

### FOLLOW-UP INVESTIGATION:

On November 18, 2021, Commission Investigators reviewed the aforementioned documents that Ohira had attached to the memorandum. Investigators made further checks made into the business and organizational structure of the Dovetail Group LLC and the applicant 2375 Ala Wai Property LLC.

In Ohira's memo, 2375 Ala Wai Property LLC (the "Applicant" or the "Owner"), and Waikiki Sand Villa Hotel, Inc. (the "Seller") are identified.

**STATEMENT #1:** In the memorandum submitted by Ohira, she stated that the applicant strongly, but respectfully, disagrees with the statement, "statutory requirements of this filing has not been met" and further suggests that "the transfer of business was made prior to Commission approval."

**RESPONSE TO STATEMENT #1:** In the same memorandum submitted by Ohira, the following statements were made on the following pages listed below, which references that the transfer of business did occur prior to Commission approval.

On page #2. Under section II, states, "The **Applicant** purchased the Hotel on **March 23, 2021** and is the **current owner** of the Hotel."

On Page #3. (iii) one of the 58 Limited Warranty Deeds dated March 23, 2021 that conveyed the fee simple interest in one of the parcels of land underlying the Hotel (TMK No. (1) 2-6-021-011) to the Applicant;

FOLLOW-UP INVESTIGATION (CONTINUED):

On Page #3. (iv) the Limited Warranty Deed dated March 23, 2021 that conveyed the fee simple interest in the other parcel of land underlying the Hotel (TMK No. (1) 2-6-021-010) to the Applicant;

On Page #3. (v). the Bill of Sale and Assignment and Assumption of Contracts and Leases **dated March 23, 2021** (the "*Bill of Sale*") that **conveyed personal property related to the operation of the Hotel** from the Seller to the Applicant; and

On Page #4. (vi) **a title insurance policy dated March 23, 2021 showing the Applicant as the current fee owner of the Hotel and the underlying land.**

On Page #4/5. (bottom/top) However, the actual transfer of that interest **did not occur until the "closing" of the transaction on March 23, 2021, when the Seller actually conveyed all of the Seller's interest in the Hotel to the Applicant** via the Assignments of Ground Lease and Hotel Unit Deeds, Limited Warranty Deed, and Bill of Sale.

For further information refer to **Exhibit A.**

**STATEMENT #2:** In the memorandum submitted by Ohira, under section II states, "Respectfully, the Report's conclusion that Dovetail Group LLC is the buyer of the Hotel is incorrect. The transfer application was voluminous and included several complex supporting documents, so the author of the Report may have misunderstood the mechanics and timing of the purchase and sale transaction and the relationship between the parties."

**RESPONSE TO STATEMENT #2-** On November 18, 2021, Commission Investigators found on the applicant's website information obtained of the following websites; From <https://www.waikikisandvillahotel.com>, displayed on the fact sheet, stated that **the owner of the hotel was Dovetail + Co.** The website additionally further indicated that **Springboard Hospitality was the operator of the hotel.** For further details see **Exhibit B.**

The Dovetail's website (<https://www.dovetailandco.com/wayfinder-waikiki>), stated that **Dovetail + Co., acquired Waikiki Sand Villa, a 238 room full-service hotel, in 2021.** It was further described that the hotel will reopen as the Wayfinder Waikiki.

## FOLLOW-UP INVESTIGATION (CONTINUED):

Additionally, several other websites depict the information of the hotel being acquired by Dovetail + Co., and not the applicant 2375 Ala Wai Property LLC.

Based on the purchase and sales agreements, bill of sales, amendments, and information obtained from the websites, it appeared that the applicant was a party to another entity (Dovetail + Co.) and may not have had exclusive possession and control as the applicant.

**STATEMENT #3:** In the memorandum submitted by Ohira, under section III states, "The Management Services Agreement for the hotel does not constitute a "TRANSFER" of the business or the license.

Ohira adds that, "Under the MSA, the Operator has certain responsibilities and obligations to operate and manage the Hotel on the Owner's behalf. However, the Operator has never had "exclusive possession or control" of the business of the Hotel."

**RESPONSE TO STATEMENT #3:** During the course of the investigation, Commission Investigators, reviewed the Management Services Agreement.

According to the MSA, the following statements below indicate that the applicant will not be operated by the applicant with any respect to the hotel's business. In the MSA, 2375 Ala Wai Property LLC, is identified as the "Owner", and OLS Hotels & Resorts, LLC, d/b/a Springboard Hospitality, is identified as the "Operator".

- MSA, page #1, under Recitals, Operator OLS Hotels & Resorts, LLC, d/b/a Springboard Hospitality) is a professional hotel management company possessing the special knowledge and skills required to provide the services to Owner as set forth herein.
- MSA, page #1, Appointment/Term, Owner hereby appoints Operator, and Operator hereby accepts appointment, as the **sole and exclusive operator of the Hotel** during the Operating Term and on the terms set forth herein.
- MSA, page #2, under section 1.2 Operation Term, the parties acknowledge and agree that as of the date of this Agreement, **Owner has no interest in the Property other than as a party to an agreement to purchase the Property from its current owner,** subject to the terms and conditions of such agreement.

FOLLOW-UP INVESTIGATION (CONTINUED):

- MSA, page #22, Advertising and Sales Promotion, Section 4.2 Advertising and Sales Promotion for Jointly Owned or Operated Hotels. Subject to the limitations on Operator's authority set forth herein, where advertising or sales promotion for the Hotel is supplied in conjunction with other hotels or similar properties **Operator may own or operate, costs charged to the Hotel shall be prorated among the Hotel and other hotels benefited thereby according to the percentage of total gross annual revenues of all benefited hotels, and such expenditures shall be in accordance with the Annual Budget.**
- MSA, page #52, Section 14.13 Intellectual Property Operator acknowledges that as between Owner and Operator, **Owner and its Affiliates own all trade names (including, without limitation, the name "Wayfinder"), trademarks, service marks, copyrights, symbols, logos and designs in connection with the Hotel and all slogans, derivations, trade secrets, know-how and trade dress and all other proprietary and intellectual property rights associated therewith (collectively, the "Owner's IP"), and Owner shall retain all rights to the same; provided, however, that during the Term, Operator shall have the right to utilize the same, without payment of any fee or royalty, in connection with the operation and management of the Hotel under the terms and conditions of this Agreement, provided further that such Owner's IP shall only be used by Operator for and in connection with the Hotel.**

The MSA indicates that, 2375 Ala Wai Property LLC, **has no interest in the Property other than as a party to an agreement to purchase the Property from its current owner.**

Additionally, it further indicates **the "Owner's IP", trademarks, service marks, copyrights, symbols, logos and designs in connection with the Hotel, IP shall only be used by Operator for and in connection with the Hotel.**

On the hotel's website, the Dovetail Co. logo appears at the bottom of the page, which as mentioned by **Exhibit B**, appeared to be the owner.

ADDITIONAL INFORMATION SUBMITTED:

On the **Thursday, November 18, 2021**, at the Commission Hearing, Ohira responded to the contents of **Exhibit B**, referencing the owner as **Dovetail Co.** Ohira stated that she submitted the copies to the Commission the limited warranty deeds, and the title policy, which all references 2375 Ala Wai Property LLC, as the owner. She further added that they could let the persons handling the website know that the information was incorrect.

Ohira stated that the news article was a misstatement in the news article, and referenced the limited warranty deed and title is in the name of the applicant.

On **Friday, November 19, 2021**, Ohira sent an email to the Commission stating the typos that reflect Dovetail Co., on the website has been corrected. She further requested a supplemental report confirming this issue was resolved.

The [www.waikikisandvillahotel.com](http://www.waikikisandvillahotel.com) and <https://www.dovetailandco.com/wayfinder-waikiki> website were both changed to reflect the applicant 2375 Ala Wai Property LLC as the owner.

For further information, see **Exhibit C** for details.

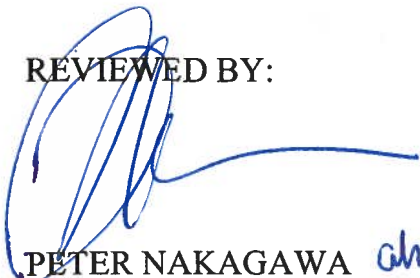
OPINION:

Based on the following information, this writer concurs that statutory requirements have not been met. The transfer of business took place prior to Commission approval, pursuant to Hawaii Revised Statutes §281-41 (h).



DANIEL SATO  
SUPERVISING INVESTIGATOR

REVIEWED BY:



PETER NAKAGAWA *gh*  
CHIEF INVESTIGATOR

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A LAW CORPORATION

November 15, 2021

## VIA ELECTRONIC MAIL

Honolulu Liquor Commission  
711 Kapiolani Boulevard, Suite 600  
Honolulu, Hawaii 96813  
c/o: Anna Hirai  
Email: [ahirai@honolulu.gov](mailto:ahirai@honolulu.gov)

***Re: App No. 21-22976 Transfer Application for 2375 Ala Wai Property LLC  
dba Waikiki Sand Villa Hotel, (Hotel General) License No. L0035:  
Response to Investigative Report***

Dear Commissioners:

As you know, this firm is the Authorized Agent for 2375 Ala Wai Property LLC (the “*Applicant*” or the “*Owner*”), which has applied for the transfer of Liquor License No. L0035 (the “*License*”) for the Waikiki Sand Villa Hotel (the “*Hotel*”) in connection with the sale of the Hotel from Waikiki Sand Villa Hotel, Inc.<sup>1</sup> (the “*Seller*”) to the Applicant.

Based on our review of the Licensing Investigative Report dated November 12, 2021 (the “*Report*”), we thought it would be helpful to provide written responses to certain of the statements and assertions posed therein in anticipation of our preliminary hearing on November 18, 2021, before the Honolulu Liquor Commission (the “*Commission*”).

## **I. BACKGROUND**

The Applicant submitted its transfer and temporary license applications on March 25, 2021. On April 29, 2021, the Commission approved a temporary liquor license (No. L00035T) with an effective date of May 4, 2021 and an expiration date of September 1, 2021. On August 13, 2021, the Commission approved a renewal of the temporary liquor license (No. L00035TT) beginning on September 2, 2021 and expiring on December 30, 2021.

The Report states that “[s]tatutory requirements of this filing has not been met” and further suggests that “[t]he transfer of business was made prior to Commission approval.” (Report, p. 32). We strongly, but respectfully, disagree with these statements. This letter will address the concerns raised in the Report and demonstrate that a transfer of the license is appropriate in this situation.

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<sup>1</sup> Waikiki Sand Villa Hotel, Inc. changed its corporate name in connection with the sale of the Hotel and is now known as Sakuradai Hotel Corporation.

## II. THE APPLICANT IS THE OWNER OF THE HOTEL.

The Applicant purchased the Hotel on March 23, 2021 and is the current owner of the Hotel.<sup>2</sup> Therefore, the Applicant is the correct entity to hold the License for the Hotel, and the Applicant correctly applied for the transfer of the License from the Seller to the Applicant.

However, the Report concluded as follows:

According to the First Amendment to Purchase and Sale Agreement, the transaction appears to include the liquor license for the hotel however, the buyer is not the applicant (2375 Ala Wai Property LLC) of this transfer of license.

The applicant (2375 Ala Wai Property LLC,) appears to only be an Assignee to all of Buyer's (Dovetail Group LLC) of this transfer of license.

This appears to be a transfer of business from the current licensee (Waikiki Sand Villa Hotel, Inc.), as the seller to an unknown third party (Dovetail Group LLC) as buyer, who then assigns the rights, title, and interests to the applicant (2375 Ala Wai Property LLC).

[...]

According to the Bill of Sale and Assignment and Assumption of Contracts and Leases, appears that the current licensee (Waikiki Sand Villa Hotel, Inc.) as seller, assigns the rights, title, and interests to the applicant (2375 Ala Wai Property LLC) as buyer.

The unknown third party (Dovetail Group LLC) is still identified as buyer.

[...]

According to the Purchase and Sale Agreement made effective November 19, 2020, the transaction appears to include the liquor license for the hotel however, the buyer is not the applicant (2375 Ala Wai Property LLC) of this transfer of license. Dovetail Group LLC, appears to be the buyer with rights, title, and interest in and to, and obligations under, the PSA.

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<sup>2</sup> The Hotel is a 228-unit condominium project that was originally developed as a leasehold condominium and is constructed on TMK Nos. (1) 2-6-021-010 and (1) 2-6-021-011. The Applicant purchased: (i) the leasehold interest in TMK No. (1) 2-6-021-011 and the fee simple interest in TMK No. (1) 2-6-021-011 from the Seller pursuant to 20 Assignments of Ground Lease and Hotel Unit Deeds; and (ii) the fee simple interest in TMK No. (1) 2-6-021-011 from various co-owners of the land pursuant to 58 Limited Warranty Deeds.

According to the First Amendment to Purchase and Sale Agreement, the transaction to be a transfer of business from the current licensee (**Waikiki Sand Villa Hotel, Inc.**), as the seller to an **unknown third party (Dovetail Group LLC)** as buyer who then assigns the rights, title, and interests to the applicant (**2375 Ala Wai Property LLC**).

The unknown third party (**Dovetail Group LLC**) is still identified as buyer.

(Report, pp. 6-8 and 30) (bold and underlining in original).

Respectfully, the Report's conclusion that Dovetail Group LLC is the buyer of the Hotel is incorrect. The transfer application was voluminous and included several complex supporting documents, so the author of the Report may have misunderstood the mechanics and timing of the purchase and sale transaction and the relationship between the parties. We hope to clarify the details of the transaction for the Commission.

In connection with the Application, we provided copies of the following supporting documents related to the ownership of the Hotel to the Commission's staff:

- (i) the Purchase and Sale Agreement dated November 19, 2020 (the "**PSA**") for certain interests in the Hotel and the underlying land, made by and between the Seller and Dovetail Group LLC ("**Dovetail**"), the Applicant's predecessor in interest;
- (ii) the First Amendment to Purchase and Sale Agreement; Assignment and Assumption of Purchase and Sale Agreement dated February 3, 2021 (the "**First Amendment and Assignment**") for certain interests in the Hotel, made by and among the Seller, Dovetail (as assignor), and the Applicant (as assignee);
- (iii) one of the 58 Limited Warranty Deeds<sup>3</sup> dated March 23, 2021 that conveyed the fee simple interest in one of the parcels of land underlying the Hotel (TMK No. (1) 2-6-021-011) to the Applicant;
- (iv) the Limited Warranty Deed dated March 23, 2021 that conveyed the fee simple interest in the other parcel of land underlying the Hotel (TMK No. (1) 2-6-021-010) to the Applicant;
- (v) the Bill of Sale and Assignment and Assumption of Contracts and Leases dated March 23, 2021 (the "**Bill of Sale**") that conveyed personal property related to the operation of the Hotel from the Seller to the Applicant; and

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<sup>3</sup> The sample provided to the Commission is a representative sample, because the 58 Limited Warranty Deeds were substantively identical, except that each conveyed an interest in different condominium units.



- (vi) a title insurance policy dated March 23, 2021 showing the Applicant as the current fee owner of the Hotel and the underlying land.

We have enclosed copies of the foregoing documents with this letter. To provide a more complete record for the Commission, we are also enclosing with this letter a copy of one of the 20 Assignments of Ground Lease and Hotel Unit Deeds<sup>4</sup> that conveyed the leasehold interest in TMK No. (1) 2-6-021-011 from the Seller to the Applicant.

Dovetail entered into the PSA with the Seller and was the original buyer under the PSA. However, to facilitate the financing for the purchase of the Hotel, Dovetail's affiliate, along with several other entities, created a new joint venture entity called 2375 Ala Wai Property LLC (i.e., the Applicant) to purchase and own the Hotel instead of Dovetail.

As noted on page 6 of the Report, Dovetail assigned its rights and delegated its obligations as the original buyer under the PSA to the Applicant via the First Amendment and Assignment. The Applicant accepted that assignment and delegation from Dovetail and agreed to assume and perform all of the obligations of the buyer under the PSA. The Seller consented to the assignment and assumption. The relevant language from Section 11 of the First Amendment and Assignment is reproduced below:

*11. Assignment and Assumption of PSA; Seller's Consent. Buyer hereby assigns and transfers to Assignee all of Buyer's right, title, and interest in and to, and obligations under, the PSA, and Assignee accepts the foregoing assignment and agrees to assume and perform all of the obligations of Buyer under the PSA from and after [February 3, 2021]. Seller expressly consents to the foregoing assignment and assumption.*

In other words, when the First Amendment and Assignment was executed and delivered, Dovetail ceased to be the buyer under the PSA, and the Assignee became the sole buyer under the PSA. At that point, Dovetail was no longer a party to the transaction and no longer had any rights or obligations under the PSA, and the Assignee became the sole entity with the right to purchase the Seller's interest in the Hotel from the Seller.

The execution of the PSA did not immediately result in the sale of the Hotel. As is common and customary in commercial real estate transactions, the PSA (as amended and assigned by the First Amendment and Assignment) was an agreement under which the Seller agreed to sell its interest in the Hotel to the Applicant, and the Applicant agreed to buy the Seller's interest in the Hotel. However, the actual transfer of that interest did not occur until the "closing" of the transaction on March 23, 2021, when the Seller actually conveyed all of the Seller's interest in the

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<sup>4</sup> The sample provided with this letter is a representative sample, because the 20 Assignments of Ground Lease and Hotel Unit Deeds were substantively identical, except that each conveyed an interest in different condominium units.

Hotel to the Applicant via the Assignments of Ground Lease and Hotel Unit Deeds, Limited Warranty Deed, and Bill of Sale.<sup>5</sup>

At no point in time did the Seller transfer any interest in the Hotel (or the License) to Dovetail. The Applicant was the sole buyer of the Seller's interest in the Hotel at the closing of the transaction contemplated by the PSA, and the Applicant is the current sole owner of the Hotel. Therefore, the Applicant is the correct entity to hold the License for the Hotel, and the Applicant correctly applied for the transfer of the License from the Seller to the Applicant.

The deeds were recorded on March 23, 2021, transferring the fee interest in the Hotel to the Applicant. Prior to that date, a Services Agreement between Applicant and Seller was approved by the Commission on March 18, 2021.

### **III. THE MANAGEMENT SERVICES AGREEMENT FOR THE HOTEL DOES NOT CONSTITUTE A "TRANSFER" OF THE BUSINESS OR THE LICENSE.**

The Owner, as the owner of the Hotel, entered into a Management Services Agreement (the "*MSA*") dated February 1, 2021 with OLS Hotels & Resorts, LLC, dba Springboard Hospitality (the "*Operator*"). A copy of the MSA is enclosed with this letter for the Commission's reference. The Report concluded that "it appears that the applicant business for which will be the licensee's license was issued to will not be operated by the applicant with any respect to the hotel's business." (Report, p. 31). Respectfully, we disagree with this conclusion.

Under the MSA, the Operator has certain responsibilities and obligations to operate and manage the Hotel on the Owner's behalf. However, the Operator has never had "exclusive possession or control" of the business of the Hotel. Therefore, Hawaii Revised Statutes ("*HRS*") Section 281-41(h),<sup>6</sup> which provides that the Commission may suspend or cancel a liquor license if a "licensee without prior approval transfers to any other person the licensee's business for which the licensee's license was issued, either openly or under any undisclosed arrangement, whereby any person, other than the licensee, comes into exclusive possession or control of the business[.]" does not apply to this particular situation.

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<sup>5</sup> The reference to Dovetail in the second paragraph of the Bill of Sale was merely for context; it referred to the original PSA and the fact that Dovetail had assigned its interest as the original buyer under the PSA to the Applicant via the First Amendment and Assignment. The Bill of Sale did *not* state that Dovetail was still the buyer under the PSA.

<sup>6</sup> HRS Section 281-41(h) provides:

If any licensee without prior approval transfers to any other person the licensee's business for which the licensee's license was issued, either openly or under any undisclosed arrangement, whereby any person, other than the licensee, comes into exclusive possession or control of the business or takes in any partner or associate who would be unfit or improper to hold a license pursuant to section 281-45, the commission may in its discretion suspend or cancel the license.

(Emphasis added.)

Operator has never come into “exclusive possession or control” of the business of the Hotel. The Operator serves only as a managing agent on behalf of the Owner, and the Operator’s rights and responsibilities with respect to the Hotel are expressly limited by the terms of the MSA. The Report cites to many of these express limitations, some of which are discussed below.

Page 15 of the Report notes that Section 3.1.J of the MSA requires Operator to submit a proposed operating budget (including an estimated profit and loss statement, a narrative description of Operator’s plans and goals, a sales and marketing plan, schedules of room rates, operating expenses, and numerous other details) for the Hotel to the Owner for the Owner’s approval at least 75 days before the beginning of each fiscal year. Thus, the Owner has the ultimate discretion over the budget, financial goals, marketing strategy, and other key aspects of the operation of the Hotel.

Page 17 of the Report notes that Section 3.2 of the MSA imposes extensive limitations on the Operator’s authority and requires the prior consent of the Owner for actions such as entering into certain contracts, taking legal action on behalf of the Owner, entering into collective bargaining agreements with labor organizations in connection with the Hotel, engaging attorneys and consultants to audit or review the financial statements for the ownership and operation of the Hotel, incurring certain debts, making capital expenditures that are not expressly authorized by the operating budget approved by the Owner, etc. Pages 18-19 of the Report also note that Section 7.2 of the MSA prohibits the Operator from making any structural alterations, improvements, or repairs to the Hotel without the Owner’s prior written consent.

Page 17 of the Report notes that under Section 5.1 of the MSA, the Owner is responsible for providing the working capital for the Hotel. Pages 17-18 of the Report also note that under Section 5.2 of the MSA, the Operator may not mingle the Operator’s funds with any funds received by the Operator in the operation of the Hotel. Instead, those funds “shall be deposited promptly in a bank account or accounts selected by Owner in Owner’s name with Operator as trustee of such account(s).” These financial arrangements confirm that the Operator is operating the Hotel as the agent of the Owner, and that all revenues generated from the operation of the Hotel (including, without limitation, revenues from the sale of liquor at the Hotel) belong to the Owner, not the Operator.

Pages 20-21 of the Report also note that Section 10.2 of the MSA gives the Owner certain rights to terminate the MSA. In light of these termination rights, it would be highly impractical for the Operator, rather than the Owner, to hold the License for the Hotel, because upon termination of the MSA, the License would need to be transferred from the Operator to the Owner.

Page 30 of the Report quotes from Section 1.3 of the MSA, which provides:

Except as the parties otherwise mutually agree, Operator will take all commercially reasonable actions to obtain and maintain all licenses and permits required to operate the Hotel, including, without limitation, all liquor licenses required to operate the Hotel’s food and beverage services and environmental permits, if

applicable. Upon the mutual agreement of Owner and Operator, any license or permit may instead be held by Operator or its Affiliate.

The intent of this provision is that the Operator will assist the Owner in obtaining and maintaining all licenses and permits necessary to operate the Hotel, including keeping the Owner informed about any renewal requirements and deadlines, open violations, fines, etc. This provision does not give the Operator the authority to hold the License instead of the Owner. Furthermore, the Owner and the Operator have not agreed in writing that the Operator will hold the License for the Hotel.

The Report also notes that “[a]ccording to the Management Agreement the applicant will not have any employees at the hotel. Additionally it appears that the applicant business for which will be the licensee’s license was issued to will not be operated by the applicant with any respect to the hotel’s business.” (Report, p. 31). Although the Owner does not have employees, and the Operator is generally responsible under the MSA for staffing the Hotel, the Owner does retain approval rights over the Hotel’s executive team.

Pages 11-12 of the Report note that Section 3.1.A of the MSA makes the Operator responsible for selecting the General Manager of the Hotel. However, Section 3.1.B of the MSA gives the Owner the right to reasonably approve the candidates hired or replaced for the positions of General Manager, Controller, Director of Food and Beverage, Executive Chef, Director of Sales and Chief Engineer, as well as any culture and brand positions. Section 3.3 of the MSA also provides that the Owner may “directly contact[t] the Hotel’s General Manager or any other member of the Hotel’s executive committee, or engag[e] in ordinary course discussion with other Hotel employees while Owner’s representatives are on-site at the Hotel.”

These rights of the Owner are consistent with the overall management strategy for the Hotel. Clearly, the Operator has never come into “exclusive possession or control” of the business of the Hotel, and under the terms of the MSA, it would not be possible for the Operator to do so.

The Owner is the proper entity to hold the license pursuant to HRS Chapter 281 because the Owner is the owner of the Hotel. While the MSA delegates some of the responsibility for operating the Hotel to the Operator, it also expressly reserves key rights and decision-making authority relating to the operation and control of the Hotel to the Owner. Thus, the business of the Hotel is ultimately controlled by the Owner, not the Operator.

#### **IV. THE APPLICANT HAS ADDRESSED VIOLATIONS IN GOOD FAITH.**

Since March 2021, the Applicant has received two notices of violation for LCV 21-0214 (Notice Number 28359) and LCV 21-0234 (Notice Number 28262). A Decision and Order for each of those violations was issued on October 14, 2021, and the Applicant paid the \$500 fine for each violation on October 27, 2021.

The Report notes that the semi-annual submission of the employee list for the Hotel is pending. (Report, p. 32). The Hotel's general manager submitted the 2021 employee list for the Hotel via email to Cameron Maluyo, who confirmed receipt via reply email, on October 11, 2021.

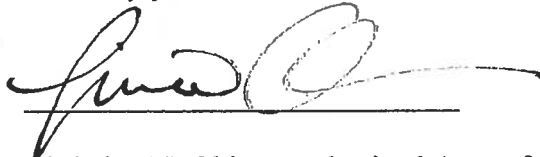
The Report notes that there is a pending violation for the Hotel. (Report, p. 31). The History of Violations attached as Exhibit B to the Report also shows a third violation, LCV 21-0376 (Notice Number 27812). To our knowledge, neither the Applicant nor we have received a copy of a notice of hearing for LCV 21-0376. We reached out to the Commission's staff on November 12, 2021 to request more information regarding this violation.

**V. CLOSING REMARKS.**

We hope that this supplemental written response has addressed the concerns raised in the Report and we respectfully request that the Commission approve the Application's transfer application.

Please feel free to contact me at (808) 447-5336 or [cohira@starnlaw.com](mailto:cohira@starnlaw.com) if you have any additional questions or concerns with our application. We would be happy to provide you with further information upon request.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Christina N. Ohira', written over a horizontal line.

Christina N. Ohira, Authorized Agent for  
2375 Ala Wai Property LLC

Enclosures.

cc: Daniel Sato, Supervising Investigator  
[dsato@honolulu.gov](mailto:dsato@honolulu.gov)

Homer Tamapua, Licensing Investigator  
[htamapua@honolulu.gov](mailto:htamapua@honolulu.gov)





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As of 11/18/21



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Nestled in the heart of Waikiki, Waikiki Sand Villa welcomes you to your charming home away from home. Allow your cares to wash away on the peaceful south shore of Oahu, just steps away from some of Hawaii's most famous attractions and Waikiki Beach. The hotel is located on the quieter side of Waikiki with a sparkling pool, spa, wine garden and bar, and urban resort amenities.

**Website:**

[www.waikikisandvillahotel.com](http://www.waikikisandvillahotel.com)

**Address:**

Ala Wai Blvd, Honolulu, HI 96815

**Reservation Phone Number:**

(808) 922-4744

**Local Phone Number:**

(888) 524-5933

**Owner:**

Dovetail - Co

**Operator:**

Springboard Hospitality

**Hotel Overview:**

Waikiki Sand Villa is a charming retreat located on the quieter side of iconic Waikiki. Here, you'll experience all the luxuries found at big resorts, but at affordable rates. Guests are invited to allow their cares to wash away on the peaceful south shore of Oahu, just steps from some of Hawaii's most famous attractions and the gentle surf of Waikiki Beach. Come and enjoy our sparkling pool, spa and urban resort amenities. Our cozy rooms include views of the Koolau Mountain Range and Ala Wai Golf Course. After a day exploring the island, relax and recharge with a dip in our large swimming pool or hot tub. Better yet, enjoy a handcrafted cocktail at La Vela Wine Bar.

**Accommodations:**

Waikiki Sand Villa offers 203 rooms and 11 suites. Ranging from 242 to 484 square feet, all feature a mini refrigerator, coffee maker, and balcony with view of the city, pool or Ala Wai Golf Course and Ko'olau Mountains.

**In-Room Amenities:**

- Plush bedding & pillows
- Mini-fridge
- Kitchenette with dinette set (in suites)
- Balcony
- Coffeemaker
- High-definition flat screen television with cable
- In-room safe
- WiFi
- Bath amenities
- Hair dryer
- Iron & ironing board
- Extra person charge is \$30 per night



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Waikiki Sand Villa offers 203 rooms and 11 suites. Ranging from 242 to 484 square feet, all feature a mini refrigerator, coffee maker, and balcony with view of the city, pool or Ala Wai Golf Course and Ko'olau Mountains.

**Accommodations:**

**In-Room Amenities:**

- Plush bedding & pillows
- Mini-fridge
- Kitchenette with dinette set (in suites)
- Balcony
- Coffeemaker
- High-definition flat screen television with cable
- In-room safe
- WiFi
- Bath amenities
- Hair dryer
- Iron & ironing board
- Extra person charge is \$30 per night
- Rollaway beds available at extra charge of \$30 per night
- Cnbs, \$10 rental fee per night (based on availability)

**Hotel Services & Amenities:**

- 214 rooms
- 70-foot pool
- Hot tub
- Pool/beach towels and chairs
- Sunscreen and aloe at pool
- Beach chairs and Go-pros (daily use)
- Fitness Center
- Onsite dining at La Vela Wine Garden and La Vela Wine Bar
- Natural Medical Clinic and Spa
- Car rental desk
- WiFi
- Luggage storage
- Local and toll-free calls
- Daily local newspaper
- Maps of Waikiki
- Non-smoking property
- Dog friendly (nightly pet fee of \$35—tax per dog per night, refundable \$100 deposit required at check-in)
- Valet parking based on availability (\$40 per night)
- 24-hour Front Desk

**Resort Fee & Inclusions:**

To help make the most of guests' stay, and for optimal enjoyment, at \$25 plus tax per night, our Guest Amenities Fee includes:





ROOMS

GALLERY

SPECIAL OFFERS

EAT+DRINK

FAQ

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NOW

Reservations: 888-524-5933

Manage Reservations

- 24-hour Front Desk

#### Resort Fee & Inclusions:

To help make the most of guests' stay, and for optimal enjoyment, at \$25 plus tax per night, our Guest

Amenities Fee includes:

- Pool chairs and beach towels
- Beach chairs (daily use)
- Boogie boards (daily use)
- Go-pro cameras (daily use)
- Fitness Center
- Portable power banks
- Daily local newspaper
- High speed wireless internet
- In-room coffee maker
- Toll-free & local phone calls
- \$25 activity credit w/ Virtual Concierge per room per stay
- Sunscreen and aloe on pool deck
- Pink Sails Catamaran discount

#### Dining - La Vela Wine Garden:

Open to guests of all ages, La Vela invites you to delight in ancestral recipes from the Mediterranean prepared using Oahu's bounty of fresh, natural ingredients. Accompany your meal with a selection of cocktails and a hand chosen list of fine wines.

#### Dining - La Vela Wine Bar:

At this exclusive spot, one of Waikiki's best-kept secrets, owner Darko Vidak's passion for Italian cuisine and wine shines through in the candlelit dining room and wine cave with direct access to the pool.

#### Location:

Away from the hustle and bustle of Waikiki, next to the popular running path along the Ala Wai Canal, Waikiki Sand Villa features views of the gorgeous Koolau Mountains and the Waikiki skyline. We are just minutes from the beach and one mile from the Hawaii Convention Center. Just steps from the hotel, at the base of Diamond Head Crater, sits historic Kapiolani Park and The Waikiki Shell, as well as the spectacular Honolulu Zoo. We are also just a short walk from the Waikiki Aquarium.

#### Connect With Us:



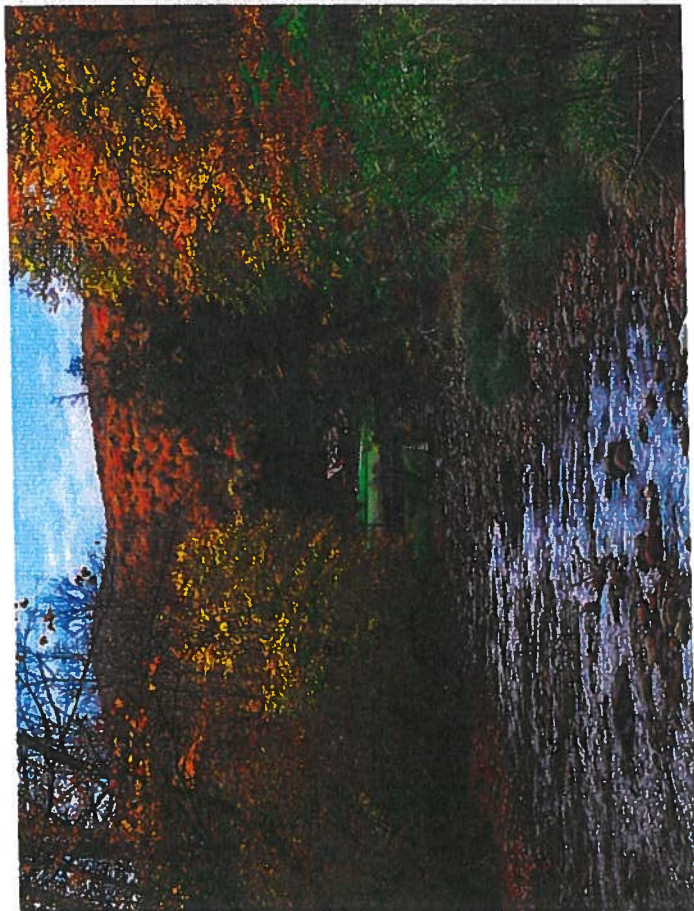


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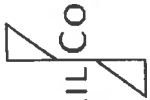
WE'RE IN THE BUSINESS OF  
CREATING BEAUTIFUL EXPERIENCES.  
ONE DETAIL AT A TIME.

Dovetail + Co is an owner and creator of experiential real estate. We craft strategic business plans that are cherished by our communities. Our approach is multi-disciplinary, collaborative, and results driven.

[Learn more](#)

DOVETAIL HOTELS





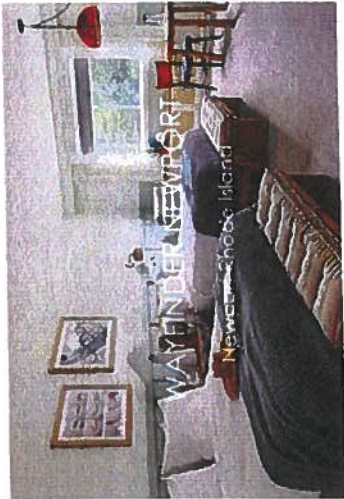
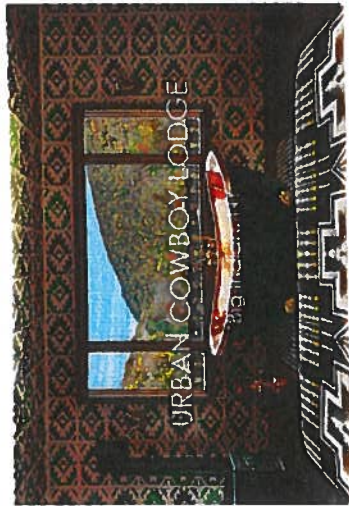
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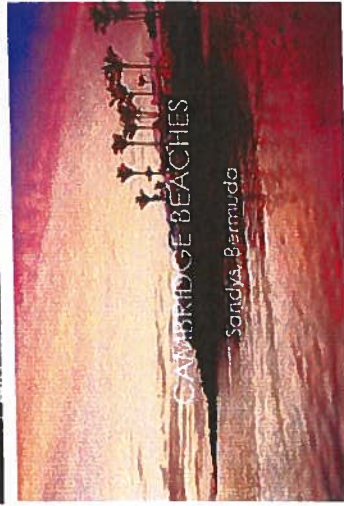
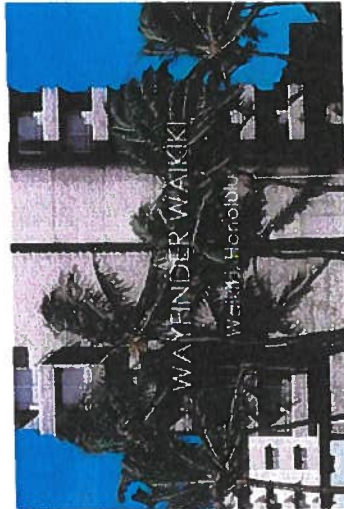
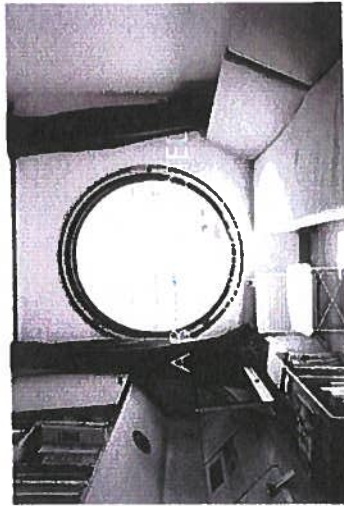


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## WAYFINDER WAIKIKI

Waikiki, Honolulu  
A DoveTail Original

DoveTail + Co acquired Waikiki Sand Villa, a 228 room full-service hotel, in 2021. After undergoing an extensive transformation, the hotel will reopen as Wayfinder Waikiki, the second Wayfinder Hotel created by DoveTail + Co. Like the flagship in Newport, Rhode Island, Wayfinder Waikiki will gather local chefs, bartenders, artists, designers, and entrepreneurs to create an energetic hub that celebrates the area's unique culture and stunning beauty.

Located in Honolulu, Waikiki is a vibrant neighborhood known for its popular surf beaches, designer stores, kinetic nightlife, waterfront restaurants, and Kuhio Beach hula shows. Waikiki is a fitting location for the Wayfinder Hotel, which acts as a comfortable, friendly, and lively home base for curious travelers looking to explore the best of the Hawaiian Islands.

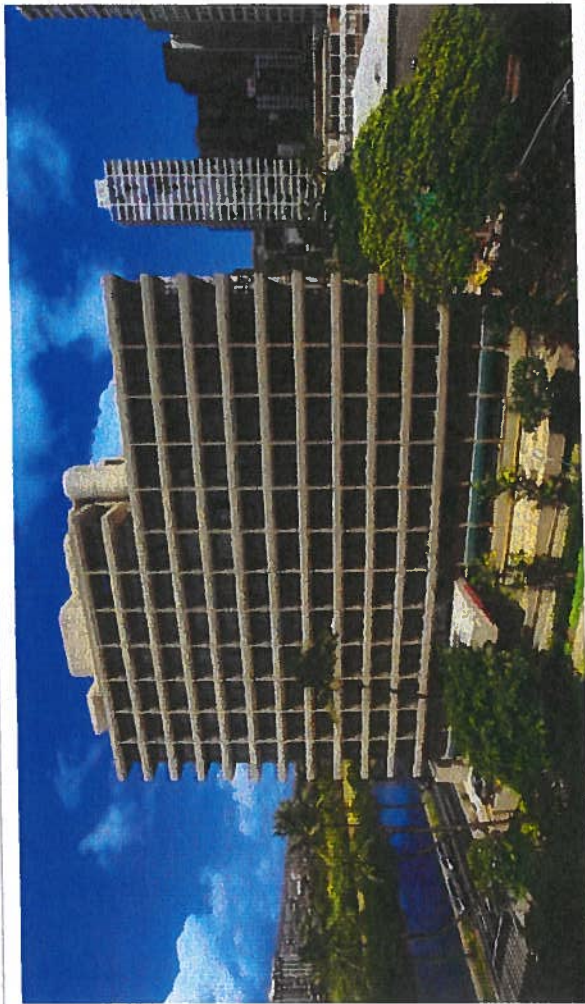
## Location

2375 Ala Wai Blvd, Honolulu, Hawaii

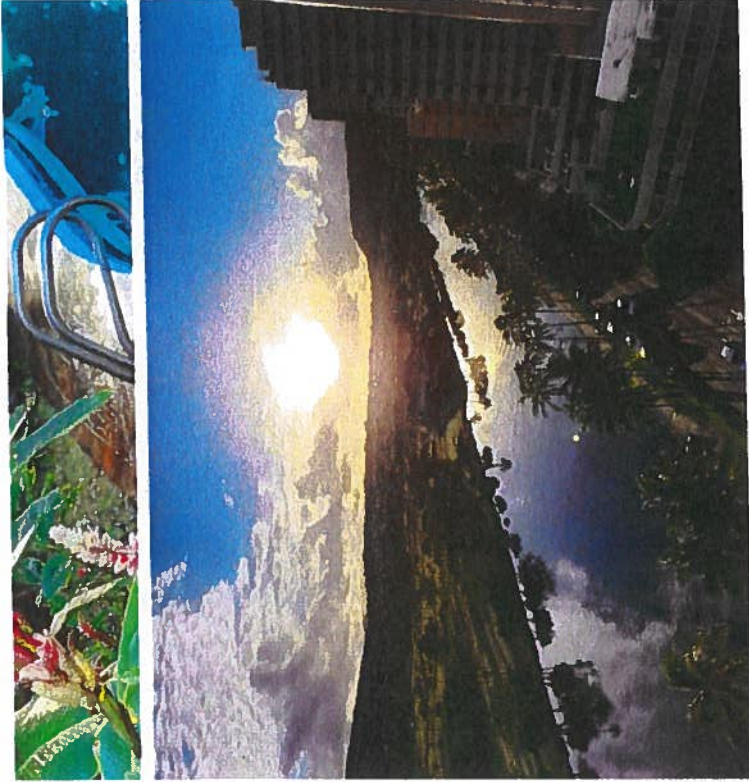
## Property

The 228 room hotel boasts an oversized pool, multiple bar and restaurant spaces, and a walkable beach location.

[waikikisandvillahotel.com](http://waikikisandvillahotel.com)  
[thewayfinderhotel.com](http://thewayfinderhotel.com)



[www.waikikiandvillahotel.com](http://www.waikikiandvillahotel.com)  
[thewayfinderhotel.com](http://thewayfinderhotel.com)



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<https://www.dovetailandco.com/wayfinder-waikiki>  
11/18/21





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## ABOUT US

Dovetail + Co is an owner, developer and operator of genuine and imaginative hospitality. Dovetail's leadership team combines best-in-class real estate and hospitality disciplines to create spaces that leave an impression. Dovetail is actively growing, focusing on projects in storied destinations that challenge the imagination and leverage its core capabilities.

Dovetail + Co was founded by Phil Hospod. Prior to founding Dovetail, Phil was part of Sydell Group's senior leadership team where notable achievements include the Freehand NYC and the Line DC, both award-winning and market-defining hospitality developments.

## LEADERSHIP TEAM



**PHIL HOSPOD**  
Founder & CEO

Phil Hospod is the founder and CEO of Dovetail + Co, an owner, developer and operator of genuine and imaginative hotels.



**BRIDGETTE SUMMERS**  
Director of Investments

Bridgette is responsible for new acquisitions and the successful execution of each business plan.



**JAMES KOT**  
Chief Development Officer

James oversees all development operations at Dovetail + Co. From ground-up construction to adaptive reuse to major renovations.



**KAT BANGS**  
Creative Director

Kat shepherds the life cycle of our brands and takes responsibility for the experience of our guests.



**RYAN BEAN**  
VP Development

Ryan is responsible for overseeing the design, development, and construction of Dovetail's projects from concept to delivery.

X

## PHIL HOSPOD

Founder & CEO

Phil Hospod is the founder and CEO of Dovetail + Co, an owner, developer, and operator of genuine and imaginative hotels. Dovetail pairs unique opportunities with best-in-class design, real estate, and hospitality practices to create value for its stakeholders.

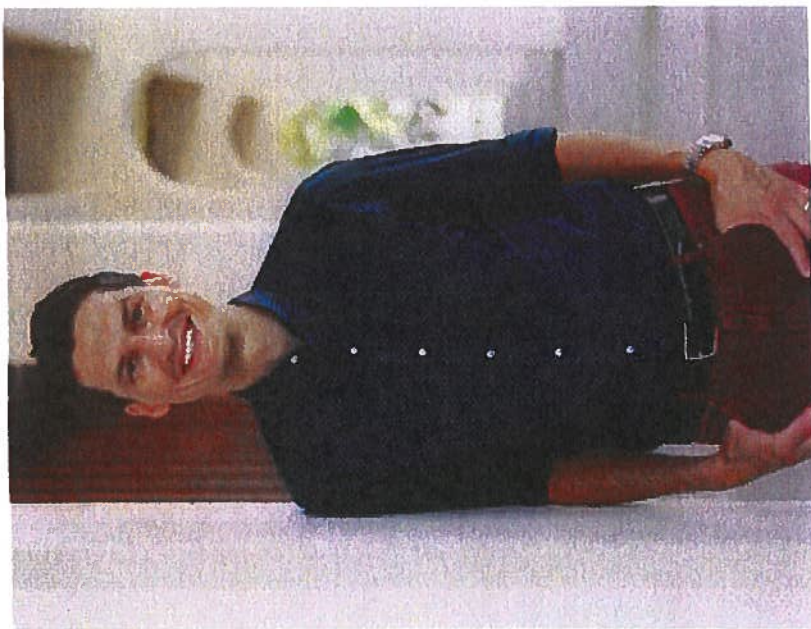
Dovetail's first two projects-- The Wayfinder Newport and Urban Cowboy Lodge-- have both won accolades and are contributing to their communities. Dovetail's current pipeline includes a first of its kind luxury capsule hotel in NYC, a historic resort in Bermuda and hotels in Walkiki and San Diego.

Prior to founding Dovetail, Phil was a member of Sydel Group's senior leadership team, where his notable achievements include the Freehand NYC and Line DC, both award-winning and market-defining projects. Over the course of his career, Phil has overseen over \$1B of investments and has led the creation and opening of 9 hotels and 18 restaurants.

Phil is passionate about creating spaces with soul, celebrating local communities, and delivering for all stakeholders. A hotel junkie at heart, Phil is particularly interested in projects that challenge the imagination.

Originally from Montreal, Phil studied at the Richard Ivey School of Business, Canada's premier business school, and earned a master's degree in Real Estate Development at Columbia University in NYC. When not traveling, Phil resides in NYC with his wife, 4-year-old daughter, and one-of-a-kind terrier mix.

Close



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# CBRE Announces Sale of Waikiki Sand Villa Hotel

*Honolulu, HI | March 25, 2021*



*CBRE completes the sale of the fee simple and leasehold interests of the Waikiki Hotel and secures financing for the transaction*

CBRE announced the sale of the fee simple interest and the leasehold interest of the Waikiki Sand Villa Hotel for an undisclosed price to Dovetail + Co., a New York-based owner, developer and operator of hospitality properties. The transaction closed on March 23.

CBRE facilitated the debt financing and joint venture equity with Macquarie Capital on behalf of Dovetail + Co.

“This transaction reinforces the strong global interest in hospitality investment properties in Hawaii, especially in Waikiki”, said Matt Bittick, CBRE Capital Markets | Institutional Group, who co-led the marketing effort with the San Francisco based CBRE Hotels | Institutional Group of Henry Bose, Alex Lee-Bull and Elena Quach.

The 228-keys Waikiki Sand Villa Hotel is situated at the western end of the world-renowned tourist destination of Waikiki, in Honolulu, Hawaii. The property sits next to the popular running path along the Ala Wai Canal and provides views of the Koolau Mountains and the Waikiki skyline.

Yasuyuki Kojima of CBRE Capital Markets added, “The property marks the most recent hotel transaction for CBRE, showcasing our team’s broad skill set that encompasses all commercial property in Hawaii.”



Mr. Kojima handled the leasehold interest and worked in conjunction with Mr. Bittick and the CBRE Hotels team in the marketing efforts.

“The domestic and overseas debt and equity markets understood Dovetail + Co.’s plan for the asset, which, when combined with the resiliency of the Hawaiian islands, generated tremendous interest from domestic and overseas lenders and joint venture partners”, stated Mark Owens, Co-Head of CBRE Hotels Debt & Structured Finance | Institutional Group. “The partnership with Macquarie Capital provides Dovetail + Co. with an incredible long-term partner for the property and their extensive acquisition pipeline.”

#### About CBRE Group, Inc.

CBRE Group, Inc. (NYSE: CBRE), a Fortune 500 and S&P 500 company headquartered in Dallas, is the world’s largest commercial real estate services and investment firm (based on 2020 revenue). The company has more than 100,000 employees serving clients in more than 100 countries. CBRE serves a diverse range of clients with an integrated suite of services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at [www.cbre.com](http://www.cbre.com).

## Media Contacts

**Damian Davila**

*Marketing Manager*



# Dovetail + Co. enters Hawaii market with Waikiki hotel acquisition

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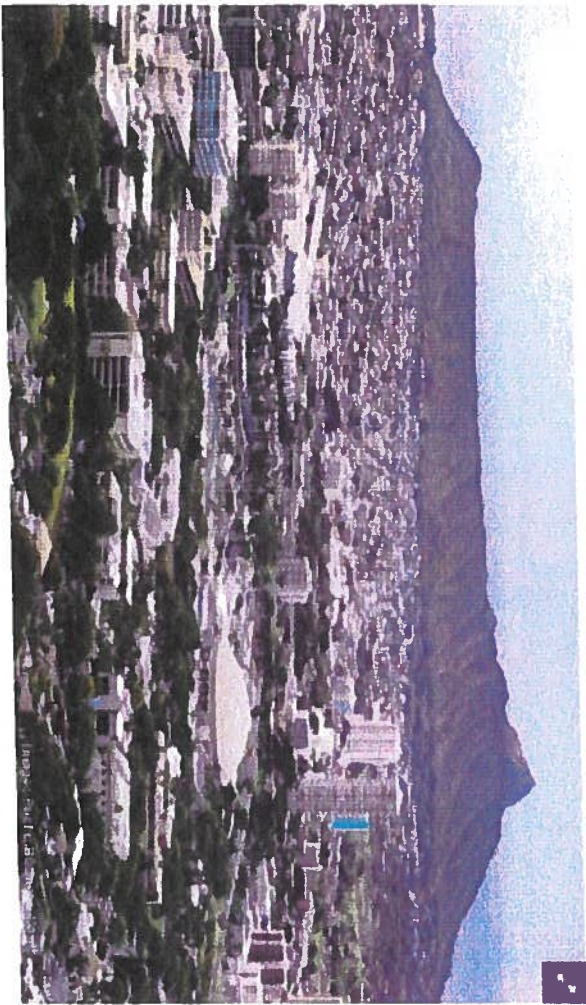
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Dovetail + Co. plans to renovate the hotel and rebrand it as the Waikiki Waikiki.  
EUSEN TANNER | PBN

By Jania L. Magin - Senior Editor, Pacific Business News  
Mar 26, 2021, 8:47pm EDT

Dovetail + Co. acquired both the leased-fee interest in the property at 2375 Ala Wai Blvd., as well as the leasehold interest in the hotel.

## IN THIS ARTICLE

### Hotels & Lodging

Topic

Matt Birtick  
Owner

Yasuyuki Kojima  
Person

Mark Owens  
Director

Phil Hospod

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lemonade shop secures  
real estate for first San  
Antonio location





## WAYFINDER WAIKIKI

**Waikiki, Honolulu**

A DoveTail Original

2375 Ala Wai Property LLC acquired Waikiki Sand Villa, a 238 room full-service hotel, in 2021. After undergoing an extensive transformation, the hotel will reopen as Wayfinder Waikiki, the second 'Wayfinder Hotel' created by DoveTail + Co. Like the flagship in Newport, Rhode Island, Wayfinder Waikiki will gather local chefs, bartenders, artists, designers, and entrepreneurs to create an energetic hub that celebrates the area's unique culture and stunning beauty.

Located in Honolulu, Waikiki is a vibrant neighborhood known for its popular surf beaches, designer stores, kinetic nightlife, waterfront restaurants, and Kuhio Beach hula shows. Waikiki is a fitting location for the Wayfinder Hotel, which acts as a comfortable, friendly, and lively home base for curious travelers looking to explore the best of the Hawaiian Islands.

**Location**

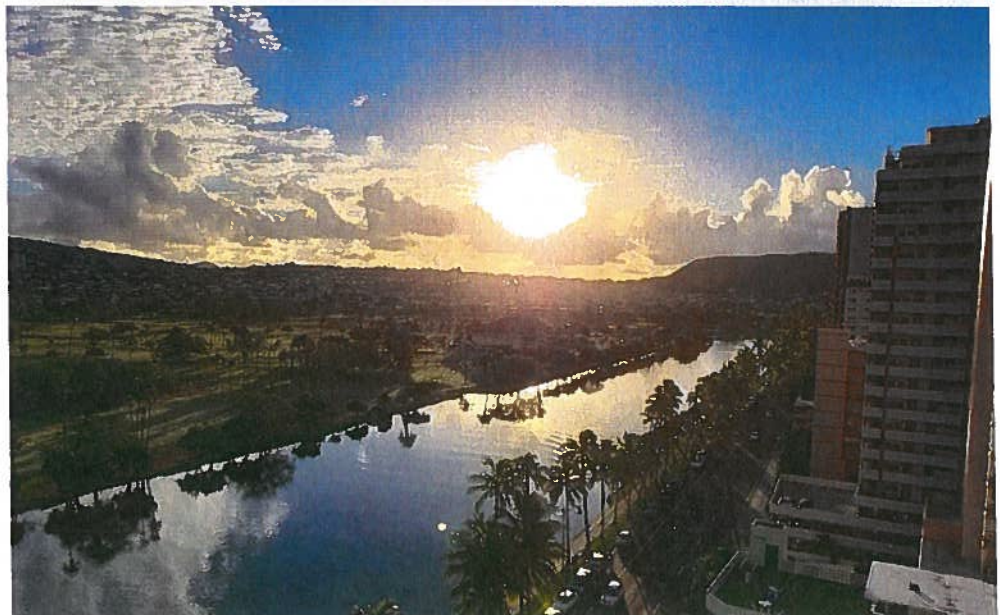
2375 Ala Wai Blvd, Honolulu, Hawaii

**Property**

The 238 room hotel boasts an oversized pool, multiple bar and restaurant spaces, and a walkable beach location.

[waikikisandvillahotel.com](http://waikikisandvillahotel.com)

[thewayfinderhotel.com](http://thewayfinderhotel.com)





English ▼

BOOK

Reservations: 888-524-5933

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## Fact Sheet

Nestled in the heart of Waikiki, Waikiki Sand Villa welcomes you to your charming home away from home. Allow your cares to wash away on the peaceful south shore of Oahu, just steps away from some of Hawaii's most famous attractions and Waikiki Beach. The hotel is located on the quieter side of Waikiki with a sparkling pool, spa, wine garden and bar, and urban resort amenities.

**Website:**

[www.waikikisandvillahotel.com](http://www.waikikisandvillahotel.com)

**Address:**

Ala Wai Blvd, Honolulu, HI 96815

**Reservation Phone Number:**

(808) 922-4744

**Local Phone Number:**

(888) 524-5933

**Owner:**

2375 Ala Wai Property LLC

**Operator:**

Springboard Hospitality

**Hotel Overview:**

Waikiki Sand Villa is a charming retreat located on the quieter side of iconic Waikiki. Here, you'll experience all the luxuries found at big resorts, but at affordable rates. Guests are invited to allow their cares to wash away on the peaceful south shore of Oahu, just steps from some of Hawaii's most famous attractions and the gentle surf of Waikiki Beach. Come and enjoy our sparkling pool, spa and urban resort amenities. Our cozy rooms include views of the Koolau Mountain Range and Ala Wai Golf Course. After a day exploring the island, relax and recharge with a dip in our large swimming pool or hot tub. Better yet, enjoy a handcrafted cocktail at La Vela Wine Bar.

**Accommodations:**

Waikiki Sand Villa offers 227 rooms and 11 suites. Ranging from 242 to 484 square feet, all feature a mini refrigerator, coffee maker, and balcony with view of the city, pool or Ala Wai Golf Course and Ko'olau Mountains.

**In-Room Amenities:**

Refrigerator, coffee maker, & pillows  
Unlock Special Offer

- Kitchenette with dinette set (in suites)
- Balcony

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- Extra person charge is \$30 per night
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- Cribs, \$10 rental fee per night (based on availability)

**Hotel Services & Amenities:**

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- 70-foot pool
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- Go-pro cameras (daily use)
- Fitness Center
- Portable power banks
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- High speed wireless internet
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- Toll-free & local phone calls
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Unlock Special Offer re spot, one of Waikiki's best-kept secrets, owner Darko Vidak's passion for Italian cuisine and wine shines through in the vibrant dining room and wine cave with direct access to the pool.

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**BOOK NOW**

## STAY IN TOUCH!

Enter your email address to receive exclusive offers, promotions and more.

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